



FORM 1120B-ME

MAINE

2003 FRANCHISE TAX Instructions

IMPORTANT MAINE TAX LAW CHANGES

Net operating losses. 36 M.R.S.A. § 5122, sub-§ 1, ¶ D & § 5200-A, sub-§ 1, ¶ B. Beginning with the 2002 tax year, taxpayers will no longer be required to add back, in the year of the loss, net operating losses being carried back for federal income tax purposes. The effect is that a federal loss can be used to offset Maine addition modifications in the year of the loss. See PL 2003, c. 390, §§ 28 & 38.

Bonus depreciation and section 179 expensing. 36 M.R.S.A. § 5122, sub-§ 1, ¶ N; sub-§ 2, ¶¶ Q, R & S; § 5200-A, sub-§ 1, N; and sub-§ 2, ¶¶ L, M, N & O. Maine will not conform to the bonus depreciation and section 179 expense deduction increases allowed under recent federal legislation. The federal bonus depreciation is increased from 30% to 50% for eligible property acquired after May 5, 2003 and placed in service before 2006. Also, the IRC section 179 expense deduction is increased as follows for eligible property placed in service in tax years beginning after 2002 and before 2006: 1) the deduction limit is increased from \$25,000 to \$100,000; 2) the phase-out threshold is increased from \$200,000 to \$400,000; and, 3) certain off-the-shelf computer software is includable as eligible property for purposes of the section 179 deduction. Because of nonconformity, the addition modification for the net effect of the bonus depreciation includes both the 30% and 50% claims. An addition modification is also enacted to add back any additional section 179 expense deduction claimed. Taxpayers will be allowed to recover these add-backs in future years. The bonus depreciation add-back required for taxable years beginning in 2002 may be recovered in equal installments over the remaining life of the asset beginning in taxable years that begin in 2004. Add-backs for both the bonus depreciation and section 179 property required in taxable years beginning in 2003, 2004 and 2005 may be recovered 5% in the year following the year the eligible property is placed in service and 95% in equal installments over the remaining life of the asset beginning 2 years following the year the property is placed in service. For purposes of section 179 property, the remaining life of the asset is determined as though section 179 of the Internal Revenue Code did not apply. See PL 2003, c. 20, Pt. EE and PL 2003, c. 479, §§ 2, 3, 5 & 6.

Deduction for state tax refunds included in federal taxable income. 36 M.R.S.A. § 5200-A, sub-§ 2, ¶ J. State income tax refunds are not taxable to Maine. Therefore, any state income tax

refund included in federal taxable income may be deducted on the Maine return. If the taxpayer is unable to fully utilize the deduction during the taxable year, the excess deduction amount, under prior law, could be carried back or carried forward in the same manner as NOLs could be carried back or carried forward for federal income tax purposes. New Maine law now only allows the unused deduction amount to be carried forward for the same number of years that a federal NOL may be carried forward. See PL 2003, c. 390, § 45.

Statute of limitations for assessments. 36 M.R.S.A. § 141, sub-§ 2, ¶ A. An adjustment is made to the law allowing the assessor to make an assessment within six years if the reported tax is less than half the tax as calculated by the assessor. The adjustment also removes the restriction that the additional tax be related only to information that is not reported on the return in question. Furthermore, any additional tax relating to items for which the taxpayer has substantial authority may not be used for purposes of determining whether the reported tax is less than half the tax as calculated by the assessor. These changes apply to all tax periods for which the 6-year assessment period is open as of the date of the assessment. See PL 2003, c. 451, Pt. HH.

Pine Tree Development Zone tax credit. 36 M.R.S.A. §§ 2529 & 5219-W. A taxpayer engaged in the business of financial services, manufacturing or a targeted technology, as defined by 5 M.R.S.A. § 15301, that is located within a Pine Tree Development Zone may be eligible for certain tax benefits. In order to be eligible, the taxpayer must add new, full-time jobs that meet certain wage requirements and that offer the new employees retirement and health care benefits. For tax years beginning after 2003, a tax credit is available equal to 100% of the tax liability for each of the first five years the qualified business is required to file an income, franchise or insurance premium tax return with Maine. The credit is 50% of the Maine tax liability for each of the second five years the business is required file an income, franchise or insurance premium tax return with Maine. Also, eligible businesses may, under the Employment Tax Increment Financing ("ETIF") program, receive 80% reimbursement of income tax withholding related to qualified Pine Tree Development Zone employees. The increased reimbursement applies to income tax withheld after 2003. In addition, sales tax

IMPORTANT CHANGES continued

exemptions apply beginning July 1, 2005 for tangible personal property incorporated into real property located in a Pine Tree Development Zone and for tangible personal property purchased directly by qualified development zone businesses. See PL 2003, c. 451, Pt. NNN.

Income tax withholding for pass-through entities. 36 M.R.S.A. §§ 5250-B, 5251, 5253. This law establishes a requirement for all pass-through entities doing business in Maine, beginning in 2003, to withhold income taxes from their nonresident owners. The withholding is to be based on the nonresident member's share of Maine-source income and the amount withheld is based on the highest appropriate tax rate (8.5% for individuals, trusts, estates and other pass-through entities; 8.93% for corporations). Trusts are included in the definition of pass-through entity for this withholding requirement. If the nonresident member's share of Maine-source income for the year is less than \$1,000, the withholding requirement is waived. Pass-through entities will normally be required to file returns and make payments quarterly. However, for calendar year 2003, only one annual return and one annual payment will be required, due January 31, 2004. See PL 2003, c. 20, Pt. AA, §§ 1 - 3.

GENERAL INSTRUCTIONS

1. FINANCIAL INSTITUTIONS SUBJECT TO FRANCHISE

TAX: Every financial institution that had Maine net income or Maine assets during the taxable year must file Form 1120B-ME and pay Maine franchise tax, **even if the institution is established as a partnership, S corporation or entity disregarded as separate from its owner.** “Financial institution” means a bank, bank holding company, thrift institution, savings association, insured institution, savings bank holding company, qualified savings bank, insured depository institution, appropriate federal banking agency or qualified family partnership (as defined in the Bank Holding Company Act of 1956, 12 U.S. Code § 1841), or any other financial institution (except a credit union) authorized to do business in Maine as defined in 9-B M.R.S.A. § 131(17-A). “Financial institution” includes any corporation of which more than 50% of the voting stock is owned, directly or indirectly, by a financial institution or by a credit union as defined in 9-B M.R.S.A. § 131.

2. DATE FOR FILING RETURN: Financial institutions reporting for calendar year 2003 are required to file with payment on or before March 15, 2004. Fiscal year taxpayers are required to file, with payment, on or before the 15th day of the third month following the close of the taxable year.

3. EXTENSIONS FOR FILING: A State of Maine extension request form is not required. If you are unable to file your return by the original due date of the return, Maine allows an automatic seven-month extension of time to file. **CAUTION: AN EXTENSION TO FILE YOUR MAINE RETURN IS NOT AN EXTENSION FOR PAYMENT OF TAX.** If you owe money, you must pay at least 90% of that amount by the original due date for filing your return and the remaining 10% must be paid when the return is filed by the extended due date in order to avoid the failure-to-pay penalty. However, interest is charged on any tax paid after the original due date of your return.

Remit your estimated tax payment with the payment voucher (Form 1120B-EXT-ME, available at www.maine.gov/revenue or by calling 207-624-7894) by the original due date for filing your Maine return to: Maine Revenue Services, P.O. Box 9114, Augusta, ME 04332-9114.

4. PAYMENT OF FRANCHISE TAX: All financial institutions subject to franchise tax shall make payment of estimated tax unless the liability for the taxable year reduced by allowable credits is less than \$1,000. See instructions for Form 1120B-ES/ME for details. Form 1120B-ES/ME vouchers and instructions are available at www.maine.gov/revenue or by calling 207-624-7894.

5. INTEREST: Beginning January 1, 2004, interest at 6% per annum, compounded monthly, will be added to the balance of any tax due from the original due date to the date of payment and should be included with any payment.

6. PENALTIES: **a. Underpayment of estimated tax penalty.** Beginning January 1, 2004, the penalty is 6% per annum, compounded monthly. The penalty rate for 2003 is 7%, compounded monthly. The penalty will be assessed if the sum of quarterly estimated tax payments is not at least equal to the lesser of the previous year’s Maine income tax liability or ninety percent (90%) of the tax liability for the current year. Exception: certain large corporations cannot use the previous year’s liability in determining the required amount of estimated tax payments.

b. Late filing and late payment penalties. If a past due return is filed before the receipt, or within 30 days of the receipt, of a demand notice, the penalty for failure to file is the greater of \$25 or 10% of the amount of tax due. If the return is filed more than 30

days after the receipt of a demand notice, the failure-to-file penalty increases to 100% of the tax otherwise due.

For failure to pay a tax liability, the penalty is 1% of the tax liability for each month the payment is delinquent, up to a maximum of 25%.

c. Other penalties. The law also provides for penalties for substantial understatement of tax, negligence, fraud, and for payment of tax by check that is returned for insufficient funds.

7. ACCOUNTING PERIOD COVERED BY RETURN: Form 1120B-ME will cover the same period as the equivalent federal return.

8. ACCOUNTING METHODS: A taxpayer’s method of accounting for Maine franchise tax purposes must be the same as that used for federal income tax purposes.

9. FEDERAL RETURN MUST ACCOMPANY STATE RETURN: Maine franchise tax return, Form 1120B-ME, must be accompanied by a legible copy of pages 1 through 4 of the financial institution’s federal return for the same taxable period. You are not required to provide Maine with copies of supporting schedules attached to the federal form filed with the Internal Revenue Service unless specifically requested.

10. FEDERAL AUDIT CHANGES AND AMENDED RETURNS: Taxpayers must file Maine amended returns for any change or correction by the Internal Revenue Service in federal net income per books or total end-of-year assets. The amended return must be filed within 90 days after final determination of the federal change or correction. Attach a copy of the Internal Revenue Agent’s report with all supporting schedules to your Maine amended return.

Taxpayers filing amended federal income tax returns must, within 90 days, file amended Maine income tax returns with copies of federal Form 1120X. When filing returns that reflect federal net operating losses, a copy of federal Form 1139 must be attached.

In addition, an amended Maine income tax return is required to correct errors on a previously filed return. The amended return must be filed within 90 days of the discovery.

Maine Revenue Services does not provide a form for amended franchise tax returns. Use Form 1120B-ME for the year(s) you are amending and check the box marked “check here if amended” in the upper left corner of the form.

11. COMBINED REPORTS: A financial institution that is a member of an affiliated group and operates in a unitary fashion must file a combined report (Form CRB).

Maine law defines affiliated group to mean a group of two or more financial institutions in which more than 50% of the voting interest of each member financial institution is directly or indirectly owned by a common owner or owners, either corporate or noncorporate, or by one or more of the member financial institutions. Unitary is defined as a business activity that is characterized by unity of ownership, functional integration, centralization of management or economies of scale.

The State of Maine apportionment formula is used to apportion net income of multi-state institutions. This formula adopts many features of the financial institution apportionment formula recommended by the Multistate Tax Commission and is designed to reflect how financial institutions earn income more accurately than the corporate income tax apportionment formula.

The law provides that the apportionment formula is also used to compute Maine assets from the total end-of-year assets of the financial institution.

SPECIFIC INSTRUCTIONS

Line 1a. Net Income Per Books: Enter net income per books from federal Form 1120, 1120S or 1065.

Line 1b. Maine Net Income: Financial institutions that are not part of an affiliated-unitary group and have income solely from activity within Maine must enter here the same amount as on line 1a. Financial institutions that are members of an affiliated-unitary group must file a combined report (Form CRB). A financial institution that is taxable both in and outside Maine shall apportion its net income by completing Schedule A on page 2 of Form 1120B-ME. The instructions for Schedule A are on page 2 of Form 1120B-ME. See paragraph 11 of the General Instructions above and instructions for Form CRB for information on how to file a Maine combined report.

Line 2a. Total End-of-year Assets: Enter total end-of-year assets from federal Form 1120, 1120S or 1065.

Line 2b. Maine Assets: Financial institutions that are not part of an affiliated-unitary group and have income solely from activity within Maine must enter here the same amount as on line 2a. Financial institutions that are members of an affiliated-unitary group must file a combined report (Form CRB). A financial institution that is taxable both in and outside Maine shall apportion its assets by completing Schedule A on page 2 of Form 1120B-ME. The instructions for Schedule A are on page 2 of Form 1120B-ME. See paragraph 11 of the General Instructions above and instructions for Form CRB for information on how to file a Maine combined report.

Line 3a. Tax on Maine Net Income: The tax rate on income is 1% of Maine net income as listed on line 1b.

Line 3b. Tax on Assets: The franchise tax rate on assets is 8 cents (8¢) per \$1,000 (0.008%) of assets as listed on line 2b.

Lines 4a, b, c: These lines are for entities that made estimated tax payments and deposits with an extension voucher, and for those taxpayers filing amended returns and claiming credit for tax paid with original return.

Line 4d. Net Operating Loss Credit: A credit is allowed against the franchise tax on assets in the case of a taxable entity that sustains a book net operating loss. The credit is computed by multiplying the book net operating loss by the franchise tax rate on income (0.01). The total amount of the credit allowed is limited to the franchise tax on assets as listed on line 3b. In any tax year in which there is an excess credit, the excess credit shall be carried over for no more than the next five (5) tax years and can be applied against the total tax as listed on line 3c. If you are carrying over an excess credit from a previous year, attach a carryover schedule to support your entry.

Line 4e. Other Credits: Following is a list of allowable tax credits. Enter the total amount being claimed on line 4e. **Note: The total amount claimed is limited to the tax amount on line 3c.**

Maine Seed Capital Tax Credit*: The tax credit allowed is based on the amount authorized by the Finance Authority of Maine. A copy of the tax credit certificate must be attached to the return. The amount of credit is subject to limitations as outlined in 36 M.R.S.A. § 5216-B.

Jobs and Investment Tax Credit*: Eligibility for this credit requires the addition of \$5 million of IRC § 38 property based on the Internal Revenue Code of 1954, as of December 31, 1985, § 38(b)(1), and 100 new jobs attributable to that investment in the 24-month period following the date the property was placed in service. For further details see 36 M.R.S.A. § 5215. **Jobs created between August 1, 1998 and October 1, 2001 must be covered by qualified retirement and health insurance plans, and wages must be greater than the average per capita income in the labor market area in which the employee is employed.**

Employer-Assisted Day Care Tax Credit*: A taxpayer constituting an employing unit is allowed a credit for providing or paying day care expenses of employees, subject to the limitations of 36 M.R.S.A. § 5217. The tax credit is limited to the lowest of \$5,000, 20% of the cost incurred, or \$100 for each child of an employee of the taxpayer enrolled on a full-time basis. Carryover provisions apply. This credit is doubled if the day care provided constitutes quality child care. The Maine Department of Human Services (“DHS”), Office of Head Start and Child Care, certifies quality child care facilities. Attach a copy of the certificate when claiming this credit on the basis of quality child care services. For questions about quality child care services and the certification process, call DHS, Office of Head Start and Child Care, at 207-287-5099.

Quality Child Care Investment Credit*: Businesses, other than self-employed individuals, making certified investment in quality child care services qualify for a credit equal to 30% of up to \$30,000 of eligible expenditures. Carryover provisions apply. The Maine Department of Human Services, Office of Head Start and Child Care, must certify eligible investments. Attach a copy of the certificate when claiming this credit. For more information on quality child care services and the certification process, call DHS, Office of Head Start and Child Care, at 207-287-5099.

Employer-Provided Long-Term Care Benefits Credit*: For tax years beginning on or after January 1, 2002, employers are eligible for the employer-provided long-term care credit if the policy on which premiums are paid is certified by the Maine Bureau of Insurance or the policy meets the federal definition of a qualified long-term care insurance contract under the Internal Revenue Code. Previously, only policies meeting the federal definition of a qualified long-term insurance contract qualified for the tax benefits. If the qualifying policy is one certified by the Bureau of Insurance, indicate the policy number when claiming this credit. 36 M.R.S.A. § 5217-C.

Machinery and Equipment Investment Tax Credit: Enter the amount of the credit carried forward to this tax year. Attach a schedule verifying the amount carried forward.

SPECIFIC INSTRUCTIONS, continued

Solid Waste Reduction Investment Tax Credit: Enter the amount of the credit carried forward to this tax year. Attach a schedule verifying the amount carried forward to this tax year.

Research Expense Tax Credit*: The credit is 5% of qualified research expenses incurred during the taxable year that exceed the average qualified research expense for the previous 3 tax years, plus 7.5% of the basic research payments determined pursuant to IRC § 41(e)(1)(A). Only expenditures for research conducted in Maine qualify for the credit. The term “qualified research” is defined in IRC § 41(d). The credit is limited to the first \$25,000 of tax liability before credits plus 75% of the tax liability that exceeds \$25,000. Carryover provisions apply. 36 M.R.S.A. § 5219-K.

Super Research and Development Credit*: Businesses whose Maine research expenses increase by more than 50% over the average research expenses incurred in the three years immediately preceding June 12, 1997 qualify for this credit. The credit is equal to the excess over 150% of the 3-year average. The credit is limited to 50% of the net income tax due after other credits and may not reduce the tax liability below the liability of the previous year after the allowance of all other credits. Carryover provisions apply. 36 M.R.S.A. § 5219-L.

High-Technology Investment Tax Credit*: Businesses engaged primarily in high-tech activities are eligible for this credit. The credit is equal to the adjusted basis of eligible equipment on the date that equipment is placed in service in Maine, net of any lease payments received during the year. Lessors may claim the credit only if the lessee waives its entitlement to the credit. The credit may not reduce current year’s tax liability below the liability of the previous year after the allowance of all other credits. The credit is limited to \$100,000 per year (\$200,000 in certain cases) and may not reduce the tax liability below zero. Carryover provisions apply. Also, the 12-year reimbursement period under the Business Equipment Tax Reimbursement Program must be reduced one year for every year the qualified equipment was included in the Investment Tax Credit base. 36 M.R.S.A. § 5219-M.

Credit for Dependent Health Benefits Paid*: Employers that offer a qualified health benefit plan and that employ fewer than five employees may qualify for this credit. The credit is equal to the lesser of 20% of the dependent health benefits paid by the employer or \$125 per employee with dependent health benefits coverage. A taxpayer that employs five or more employees after qualifying for the credit may continue to qualify for the credit for another two years. Otherwise, a taxpayer may claim a credit only for those periods during which the employer: 1) offers a qualified health benefit plan that is made available to all of its low-income employees; 2) pays at least 80% of the health insurance costs for each low-income employee under the plan, and; 3) pays at least 60% of the cost of dependent health insurance benefits for children under 19 who are dependents of a low-income employee under the plan. The credit is limited to 50% of the income tax due. Any unused credit may be carried over for two years. 36 M.R.S.A. § 5219-O.

Clean Fuel Credit*: The credit is based on the expenditures paid or incurred for construction, installation of, or improvements to any filling station or charging station in Maine for the purpose of providing clean fuels to the general public for use in motor vehicles.

Clean fuel is defined as any product or energy source, other than conventional gasoline, diesel or reformulated gasoline, that lowers emissions of certain pollutants. Clean fuel includes, but is not limited to, compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, hythane, dynamic flywheels, solar energy, alcohol fuels, and electricity. **The credit applies to expenditures incurred on or after January 1, 1999 and automatically expires January 1, 2006.** 36 M.R.S.A. § 5219-P.

Historic Rehabilitation Credit*: A taxpayer is allowed a credit equal to the amount of the federal credit, including carryovers, for rehabilitation of certified historic structures located in Maine. The credit is nonrefundable and is limited to \$100,000 annually per taxpayer. The credit is subject to the same recapture provisions as under the Internal Revenue Code. 36 M.R.S.A. § 5219-R.

Family Development Account Credit*: Contributors to family development matching fund accounts are eligible for a credit. The credit per tax return is equal to the lesser of \$25,000 or 50% of the amount contributed. The credit is limited to the tax liability on the return and must be taken after the allowance of all other credits. The aggregate allowable credit amount in a state fiscal year is limited to \$200,000. The Finance Authority of Maine certifies the allowable credit for each contributor. Call 207-623-3263 for further information. 36 M.R.S.A. § 5216-C.

(NOTE: The total of all credits cannot exceed the tax liability on line 3c of Form 1120B-ME.)

*** Complete and attach worksheets showing your calculations for the credits claimed. Credit worksheets are available at www.maine.gov/revenue.**

Line 5b. Penalty for Underpayment of Estimated Tax: If the financial institution underpaid estimated tax, complete and attach Form 2220ME, available at www.maine.gov/revenue.

Line 7a. Credited: Use this line only if you elect to have all or a portion of the overpayment on line 6 credited to your next year’s estimated Maine franchise tax.

Line 7b. Refunded: Enter here the difference between lines 6 and 7a. Refunds of \$1.00 or more will be mailed to you.

IMPORTANT: IF ALL REQUIRED LINES AND SCHEDULES (INCLUDING FORM CRB) ARE NOT COMPLETED, THE RETURN IS INCOMPLETE AND WILL NOT BE CONSIDERED A FILED RETURN. ALSO, PAGES 1 - 4 OF THE FEDERAL RETURN MUST BE ATTACHED TO YOUR MAINE FRANCHISE RETURN.

COMBINED REPORT (FORM CRB) INSTRUCTIONS

The combined reporting form, when applicable, must be filed with Form 1120B-ME. This report **must** be accompanied by an affiliation schedule (federal Form 851 for consolidated filers is acceptable) listing name, federal ID number, and corporate activity of all members of the affiliated group.

PURPOSE OF FORM:

NOTE: Only unitary business group members are to be included on this form. Affiliated non-unitary members are no longer included.

Form CRB is used to calculate Maine net income of a unitary business. Maine net income is a financial institution's net income or loss per books required to be reported pursuant to the laws of the United States on Internal Revenue Service Form 1120, 1120S, 1065, or any other Internal Revenue Service Form used to report net income or loss per books. 36 M.R.S.A. § 5206-D(13).

COMBINED REPORTING:

Financial institutions with Maine net income that are members of an affiliated group engaged in a unitary business must file a combined report. Financial institutions that are members of a unitary business but are not required to file a federal return must be excluded from the combined report. This includes those financial institutions not required, but electing to file, a federal tax return.

“Affiliated group” means a group of two or more financial institutions of which more than 50% of the voting stock of each member is directly or indirectly owned by a common owner or owners, either corporate or non-corporate, or by one or more of the member financial institutions. 36 M.R.S.A. § 5206-D(1). A “unitary business” is a business activity that is characterized by unity of ownership, functional integration, centralization of management, and economies of scale. 36 M.R.S.A. § 5206-D(22).

All financial institutions required to file federal returns that are part of a unitary business are required to be included in the combined report of any taxable financial institution with Maine nexus, even if the affiliated financial institution has no nexus with Maine.

COLUMN INSTRUCTIONS

Nexus with Maine Column. Place a check mark in this column for those corporations listed in column 1 that have nexus with Maine

Column 1. Enter the name and federal identification number of each member of the unitary business.

Column 2. Enter the separate net income per books of each member listed in column 1 that was part of a federal consolidated return (member's share of Form 1120, Schedule M-1, line 1). This information can be obtained from the supporting statement filed with federal Form 1120 for consolidated returns. **Attach the supporting statement from the consolidated return. Each financial institution on this report should have an amount entered in either column 2 or column 3, but not both.**

Column 3. Enter the net income per books of each member listed in column 1 that filed a separate federal return (Form 1120, line 28 or equivalent income from other federally filed return). Entries in column 3 relate to members of the unitary business that were not included in a federal consolidated return.

Each financial institution on this report should have an amount entered in either column 2 or column 3, but not both.

Column 4. Enter any adjustments for eliminations, deferrals, and other modifications allowed under federal law and regulations not yet taken in column 2. Include any intercompany transactions between unitary members listed on this report if those transactions resulted in gains or losses. Similar adjustments are allowed for unitary business members that are not part of the same consolidated filing. These adjustments include, but are not limited to, those for (a) dividends paid out of income subject to apportionment under 36 M.R.S.A., chapter 819 by one unitary member to another unitary member; (b) deferrals of gains/losses from intercompany sales of inventory; and (c) deferrals of gains/losses from intercompany sales of fixed assets. **Attach a worksheet that details adjustments claimed in column 4.**

Column 5(A). Combine columns 2, 3, and 4. This is the adjusted separate income of each member of the unitary business group.

Column 5(B). Enter total end-of-year assets from federal return or pro forma federal return.

Columns 6-8. Enter each financial institution's share of receipts, payroll, and property of the unitary business. *See* 36 M.R.S.A. §§ 5206-E(2), (3), and (4). Carry over totals from Line 18 to Schedule A. The amounts listed on the total line of Columns 6, 7, and 8 (line 18) of the Combined Report must agree with those entered on lines 8, 9, and 10, Columns (A) and (B) of Schedule A, Form 1120B-ME if a single return is filed for the entire group.

LINE INSTRUCTIONS

Line 17. To the extent not already eliminated, remove all intercompany transactions. These eliminations are for columns 5(B)-8 only. Attach a worksheet that details any adjustment claimed on this line.

Line 18. Enter the total for each of Columns 2 through 8. Enter column 5(A), line 18 on Form 1120B-ME, line 1a. Enter column 5(B), line 18 on Form 1120B-ME, line 2a.



2003

MAINE FRANCHISE TAX RETURN
FOR FINANCIAL INSTITUTIONS

For calendar year 2003 or tax year beginning in 2003

0308410 00

MM DD 03 TO MM DD YY

FORM 1120B-ME

☐ Check here if amended

CHECK APPLICABLE BOXES:

☐ (1) Initial return

☐ (2) Final return

☐ (3) Change of name/address

Name

Federal Employer ID No.

Address

Business Code

State of
Incorporation

City

State

ZIP Code

Contact Person First Name

Last Name

Phone Number

Check Here if Combined Return
and Enclose Form CRB

☐

Parent's Federal Employer ID No.

Principal Place of Activity in Maine

City where Records are Maintained

State

1. MAINE NET INCOME:

a. NET INCOME PER BOOKS (From federal Form 1120, 1120S or 1065) 1a .00

b. MAINE NET INCOME (From line 1a above or page 2, Schedule A, line 13) 1b .00

2. ASSETS:

a. TOTAL END-OF-YEAR ASSETS (From federal Form 1120, 1120S or 1065) 2a .00

b. MAINE ASSETS (From line 2a above or page 2, Schedule A, line 15) 2b .00

3. TAX:

a. TAX ON MAINE NET INCOME (Not less than zero) line 1b x 0.01 3a .00

b. TAX ON ASSETS - line 2b x 0.00008 3b .00

c. TOTAL TAX (Add lines 3a and 3b) 3c .00

4. CREDITS:

a. ESTIMATED TAX PAID 4a .00

b. DEPOSIT WITH EXTENSION VOUCHER 4b .00

c. PAID WITH ORIGINAL RETURN 4c .00

d. NET OPERATING LOSS CREDIT (See instructions) 4d .00

e. OTHER CREDITS (See instructions) 4e .00

f. TOTAL CREDITS (Add lines 4a through 4e) 4f .00

5. a. IF LINE 3c IS GREATER THAN LINE 4f, ENTER TAX BALANCE DUE 5a .00

b. ENTER PENALTY for Underpayment of Estimated Tax (Attach Form 2220ME) 5b .00

c. TOTAL AMOUNT DUE (Add lines 5a and 5b). PAY IN FULL WITH RETURN 5c .00

(Make check payable to Treasurer, State of Maine)

Return continued on page 2

Office use only

b. REFUNDED 7b _____ .00



Property rented by the taxpayer is valued at 8 times the net annual rental rate. Loans and credit card receivables are valued at outstanding principal, without regard to any reserve for bad debt. See § 5206-E(3) for a complete description of Maine and everywhere property.



MAINE REVENUE SERVICES

FORM CRB – page 1 of 2
MAINE FRANCHISE TAX
Combined Report For Unitary Members

030841200

Federal EIN: _____

The Combined Report must be accompanied by a legible copy of the parent's Federal Consolidated Tax Return pages 1, 2, 3 and 4 (or equivalent).

**COMBINED
REPORT**

This report must be attached to your Form 1120B-ME.

	Column 1 Financial Institution Name and Federal Identification Number of Unitary Business Member	Column 2 Net Income per Books of Unitary Members Participating in a Federal Consolidated Filing	Column 3 Net Income per Books of Unitary Members Filing Separate Federal Returns	Column 4 Allowable Adjustments	Column 5(A) Adjusted Separate Net Income per Books of Unitary Members (Combine Cols 2, 3, & 4)	Column 5(B) Total end-of-year Assets
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						
16.						
17.	Adjustments and eliminations for columns 5(B) through 8 (Attach schedule showing origin of any amount on this line) ➡					
18.	TOTALS					

FORM CRB – page 2 of 2
MAINE FRANCHISE TAX

030841300

This report must be attached to your Form 1120B-ME

Important: The Combined Report must be accompanied by an affiliation schedule listing name, federal EIN, and corporate activity of all members of the affiliated group, both unitary and nonunitary members of the affiliated group.

COMBINED
REPORT

Line No.	Column 6		Column 7		Column 8	
	A. Receipts in Maine	B. Receipts Everywhere	A. Payroll in Maine	B. Payroll Everywhere	A. Property in Maine	B. Property Everywhere
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						
16.						
17. Adjust- ments						
18. Totals						